

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 3, 1997

IN RE: UNIVERSAL SERVICE
GENERIC CONTESTED CASE

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DOCKET NO. 97-00888

ORDER ESTABLISHING PROCEDURES FOR SELF-CERTIFICATION OF RURAL
TELEPHONE COMPANIES PURSUANT TO SECTION 153(37) OF
THE COMMUNICATIONS ACT, AS AMENDED, AND FCC ORDER 97-157

This matter came before the Tennessee Regulatory Authority (the Authority) upon its own motion at a regularly scheduled conference held on October 21, 1997, pursuant to 47 U.S.C. § 153(37) of the *Communications Act, as amended*, and *Federal Communications Commission (FCC) Order 97-157 and Public Notice DA97-1748(as corrected)*, Attached as Exhibit 1. The purpose of this Order is to establish uniform procedures for self-certification of rural telephone companies.

Background for the Order

In February, 1996, the United States Congress passed the *Telecommunications Act of 1996* ("Telco Act"). The *Telco Act* was enacted to further competition and reduce regulation for American telecommunications consumers. As a result of the passage of the *Telco Act*, Congress delegated the responsibility for Universal Service to the FCC. The resulting *Universal Service Order, FCC 97-157*, established that, beginning January 1, 1999, rural and non-rural local exchange carriers (LECs) would receive federal universal service support determined by separate mechanisms. In the *Universal Service Order*, the FCC stated that in order for a LEC to be considered a rural carrier, it must meet the definition of a rural telephone company in *Section 3(37) of the Communications Act, as amended (47 U.S.C. § 153(37))*.

Discussion

In the *Telco Act*, Congress directed the FCC and State Commissions to take steps necessary to establish support mechanisms to ensure the delivery of affordable telecommunications service to all Americans. *Section 3(37) of the Communications Act, as amended*, states that the term "rural telephone company" means a local exchange carrier operating entity to the extent that such entity:

- (A) provides common carrier service to any local exchange carrier study area that does not include either:
 - (i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or
 - (ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;
- (B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- (C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- (D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the *Telecommunications Act of 1996*.

Under provisions of *Public Notice DA97-1748(as corrected)*, any LEC that seeks to be classified as a rural carrier must file a letter, with the FCC, by April 30th of each year, notifying the FCC that the LEC certifies itself to be a rural telephone company and explaining how the carrier meets at least one of the four criteria in the statutory definition. The carrier should also file information supporting its explanation, for example, the number of lines the carrier serves, and state whether it is certified as a rural carrier in its state. The Authority does not certify rural carriers, and applicants should so inform the FCC. All self-certifications will be subject to random verifications of the information provided at any time.


By June 30th of each year, the FCC will acknowledge receipt of the carrier's self-certification as a rural carrier. The FCC will also send the list of carriers certified as rural telephone companies to the Universal Service Administrator by July 31st of each year. If a carrier's status changes so that it becomes

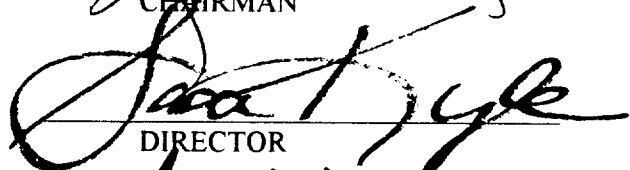
ineligible for certification as a rural carrier, that carrier must inform the FCC and the Universal Service Administrator within one month of the change in status.

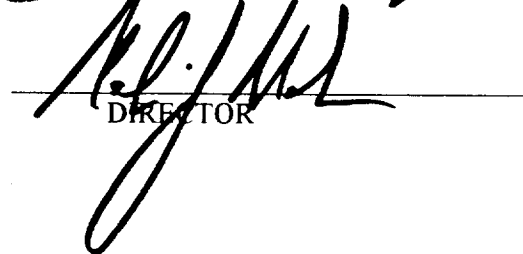
The notifications of self-certification as a rural telephone company must be sent by April 30th of each year to Sheryl Todd, Universal Service Branch, Accounting and Audits Division, Federal Communications Commission, 2100 M. St., N.W., 8th Floor, Washington, D.C. 20554.

IT IS THEREFORE ORDERED THAT:

1. Any carriers seeking certification as a Rural Telephone Company must file a copy of its FCC self-certification letter (due to the FCC each April 30th) with the Authority.
2. Any carrier notifying the Universal Service Administrator of a change in eligibility as a rural carrier, must file a copy of that notification with this Authority.
3. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.
4. Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


CHAIRMAN


DIRECTOR


DIRECTOR

ATTEST:


EXECUTIVE SECRETARY

[[Text Version](#) | [WordPerfect Version](#)]



PUBLIC NOTICE

Exhibit 1

Federal Communications Commission
1919 - M Street, N.W.
Washington, D.C. 20554

News media information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Released September 22, 1997
DA 97 1748

Approved by OMB
3060-0793
Expires 03/31/98

Avg. burden hours per response: 1.25 hours

SELF-CERTIFICATION AS A RURAL TELEPHONE COMPANY Correction

The Universal Service Order, FCC 97-157 (rel. May 8, 1997), established that, beginning January 1, 1999, rural and non-rural local exchange carriers (LECs) would receive federal universal service support determined by separate mechanisms. Although non-rural LECs will begin receiving federal support based on a forward-looking economic cost mechanism in 1999, rural LECs will continue to receive universal service support, from federal universal service mechanisms, based on their embedded costs at least until 2001. In the Universal Service Order, the Commission stated that in order for a LEC to be considered a rural carrier, it must meet the definition of a rural telephone company in section 3(37) of the Communications Act, as amended (47 U.S.C. § 153(37)).

Section 3(37) states that the term "rural telephone company" means a local exchange carrier operating entity to the extent that such entity--

- (A) provides common carrier service to any local exchange carrier study area that does not include either--
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- (B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;
- (C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or
- (D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

Public Notice: (Correction) SELF-CERTIFICATION AS A RURAL TELEPHONE COMPANY http://www.fcc.gov/Bureaus/Common_Carrier/Public_Notices/199/1/148.n

Any LEC that seeks to be classified as a rural carrier must, by April 30 of each year, file a letter with the Commission notifying the Commission that the LEC certifies itself to be a rural telephone company and explaining how the carrier meets at least one of the four criteria in the statutory definition. The carrier should also file information supporting its explanation, for example, the number of lines the carrier serves, and state whether it is certified as a rural carrier in its state. All self-certifications will be subject to random verifications of the information provided at any time.

By June 30 of each year, the Commission will acknowledge receipt of the carrier's self-certification as a rural carrier. The Commission will also send the list of carriers certified as rural telephone companies to the Universal Service Administrator by July 31st of each year. If a carrier's status changes so that it becomes ineligible for certification as a rural carrier, that carrier must inform the Commission and the Universal Service Administrator within one month of the change in status.

The notifications of self-certification as a rural telephone company must be sent by April 30 of each year to the Sheryl Todd, Universal Service Branch, Accounting and Audits Division, Federal Communications Commission, 2100 M. St, N.W., 8th Floor, Washington, D.C. 20554; 202/418-7400.

The Telecommunications Act of 1996 directed the Commission to initiate a rulemaking to reform our system of universal service so that universal service is preserved and advanced as markets move toward competition. In the Report and order on Universal Service (released May 8, 1997), the Commission adopted rules that are designed to implement the universal service provision of section 254. Any local exchange carrier that seeks to be classified as a rural telephone company must file a letter with the Commission annually notifying the Commission that the LEC certifies itself to be a rural telephone company and explaining how the carrier meets at least one of the four criteria. If a LEC's status changes so that it becomes ineligible for certification as a rural carrier, that carrier must inform the Commission and the Universal Service Administrator within one month of the change in status. All the requirements are necessary to implement the congressional mandate for universal service. These reporting requirements are necessary to verify that particular carriers and other respondents are eligible to receive universal service support.

We have estimated that the response to this collection of information will take, on average, 1.25 hours. Our estimate includes the time to read the instructions, look through existing records, gather and maintain required data, and actually complete and review the form or response. If you have any comments on this estimate, or on how we can improve the collection and reduce the burden it causes you, please write the Federal Communications Commission, AMD-PERM, Washington, DC 20554, Paperwork Reduction Project (3060-0793). We will also accept your comments via the Internet if you send them to jboley@fcc.gov. Please **DO NOT SEND COMPLETED APPLICATION FORMS TO THIS ADDRESS.**

Remember -- You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0793.

This notice is required by the Privacy Act of 1974, P.L. 93-579, December 31, 1974, 5 U.S.C. Section 552a(e)(3) and the paperwork Reduction Act of 1995, P.L. 104-13, October 1, 1995, 44 U.S.C. 3507."



PUBLIC NOTICE

Federal Communications Commission
1919 - M Street, N.W.
Washington, D.C. 20554

News media information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Released August 14, 1997
DA 97 1748

SELF-CERTIFICATION AS A RURAL TELEPHONE COMPANY

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